

# The Saturday Review Financial Supplement

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## The Outlook

### A PAINFUL RECONSTRUCTION

In the course of the past nine months, since the fatal coal stoppage, the coal industry has been going through a process of very painful reconstruction. It bumped down upon the ground of hard realities, after enjoying four years of artificial prosperity, and it has been obliged to make the best of those realities. The miners now at work, taking them as a whole, are doing more work for less pay than ever in the lives of most of them, and 150,000 others are unemployed. The figures put forth by the Department of Mines are highly significant. In the middle of December in South Wales the colliers were earning 8s. 9½d. a shift as compared with 21s. 4½d. in January last; the labourers were earning 6s. 4½d. a shift as compared with 18s. 3½d. That was in South Wales, which exports the greater part of its coal output, and was the result of the fall in the value of exported coal from 65s. 4d. a ton in January to 24s. 11d. a ton in December. In Derbyshire we find the colliers earning twice as much per shift as in South Wales, not because they worked harder or were more deserving, but because Derbyshire sells household coal of which the price had fallen much less than the price of exported coal.

### COAL OUTPUT PER SHIFT

If we take the coal mines all round we find that the output per man per shift of seven hours is as great now as was the output per man per shift of eight hours during the first half of 1918. The war was then at its most critical phase, everyone in the country was alarmed and working at his utmost. The miners were then, as it were, cutting coal for their lives. Yet they did not cut more per shift of eight hours than the miners are cutting now per shift of seven hours. Now, in a different sense perhaps, the miners are also cutting coal for their lives, because their wages have fallen so low that they are putting forth desperate efforts to improve them.

### THE STOCK EXCHANGE

The upward march of prices in the gilt-edged markets sustained a slight check on Wednesday, owing to certain articles with reference to the state of affairs in India, but the hesitation proved little more than temporary. Conversion 3½ per cents., the Funding Loan, most of the newly issued Colonials and many of the newest industrials have gone ahead. The issue of thirty million pounds Local Loans was quickly taken, and the price opened in the market at ½ premium. The Funding Loan is up to 80, the price at which it was offered in June, 1919, and Victory Bonds with the War Loan, are not far behind the figures at which they came out originally. India stocks have partially recovered

from the tremor which seized them. The supply of stock in this market to meet the demand is surprisingly small. Treasury "A," "B," and "C" bonds have advanced with the rest. It is reported that several other big borrowers are about to make applications to the public for more money. Foreign government bonds have moved irregularly. The Home Railway market is dull, in marked contrast to the lists for its prior-charge stocks. Argentine railways are noticeable chiefly for the many advances in the Debenture and Preference issues. The allotments of Anglo-Persian new Preference and Ordinary are expected in about a fortnight's time. It is known that the subscription to both issues was on a huge scale. Maples gave way sharply, on a substantial cut in the dividend. America has been buying Radio Corporation shares, with resultant improvements in the prices. Cable stocks were good throughout. The shipping, iron and steel and armament groups remain quiescent. Renewed weakness occurred in Dunlops. South Africans are heavy, under the influence of the strike news, though the market was a little relieved at the announcement that most of the companies will distribute the dividends which they have already announced.

### MONEY AND EXCHANGE

Although there has been a demand for money daily, and although by last Saturday the Government had managed to repay the Bank entirely, the market, helped by further special buying of bills, was not uncomfortable. Still, brokers had to pay 3½ per cent. for nearly all loans, and by the end of the week the discount rate, influenced by the smallness of the amount of Treasury bills offered for tender, was not much higher than that. Bank balance sheets show how heavy is the competition for Treasury bills, and the market thinks itself lucky, under these circumstances, to make any profit at all. Now that the Government is receiving relatively small amounts from its sales of Treasury bonds, the effect of tax payments may be small, but the outlook is obscure in the absence of any revival in general trade. There are no reliable indications as to whether America is likely to allow its vast holding of gold to become the basis of enough fresh credit to stimulate business and maintain the present high exchange rates for European currencies. Thus both money and exchange markets are restrained by the same uncertainty, though in the latter the mark, by depreciating and then recovering, has been a reminder of the other problems which, unsolved, still menace both.

### THE GOVERNMENT ACCOUNTS.

The Revenue for the week ended January 24th amounted to £36 millions and the Expenditure to £16½ millions. There was thus a surplus of £19½ millions, reducing the total deficit shown by the weekly statements from £95½ millions to £76 millions. During the week nearly £48 millions of Treasury Bonds were sold, which, together with the surplus shown in the period, enabled the outstanding Treasury Bills to be reduced by £2½ millions, and the Bank of England and Public Departments were repaid advances amounting to £56 millions. In addition to this reduction of £58½ millions in the floating debt there was paid off £5½ millions of debt owed abroad, the Exchequer Balances receiving £4½ millions.

## FIGURES AND PRICES

## PAPER MONEY (in millions).

	Latest Note Issue.	Stock of Gold.	Ratio of Gold to Notes.	Previous Note Issue.	Note Issue Jan. 31, 1921.
<b>European Countries</b>			%		
Austria	Kr. 174,114	?	—	160,200	34,526
Belgium	Fr. 6,342	267	4	6,335	6,232
Britain (B. of E.)	£ 103			107	109
Britain (State)	£ 304	157	38	325	342
Czecho-Slov.	Kr. 11,757	1,113	9	11,130	10,888
Denmark	Kr. 465	228	49	465	552
Estonia	Mk. 350	343+	98+	250	—
Finland	Mk. 1,346	42	3	1,333	1,349
France	Fr. 36,786	5,524	15	37,124	38,205
Germany	Mk. 112,594	995	—	113,140	66,621
Greece	Dr. 2,121	57	2	2,130	1,505
Holland	Fl. 1,057	606	59	1,014	1,074
Hungary	Kr. 25,109	?	—	25,175	15,206
Italy (Bk.)	Lire 13,273	1,500	11+	13,744	15,279
Norway	Kr. 394	147	37	410	432
Poland	Mk. 229,537	25	—	207,029	55,080
Portugal	Esc. 712	9	1	705	618
Roumania	Lei 13,709	4,582	33	13,723	9,579
Serbia	Dnrs 4,598	74	1	4,620	—
Spain	Pes. 4,287	2,515	61	4,292	4,299
Sweden	Kr. 586	275	46	591	673
Switzerland	Fr. 909	550	60	1,009	939
<b>Other Countries</b>					
Australia	£ 58	24	40	58	59
Canada (Bk.)	\$ 182			194	206
Canada (State)	\$ 269	165	36	269	294
Egypt	£E 35	3	8	36	36
India	Rs. 1,730	24	13	1,725	1,634
Japan	Yen 1,233	1,291	104	1,283	1,217
New Zealand	£ 8	8+	100+	8	8
U.S. Fed. Res.	\$ 2,294	2,896	126	2,405	3,105

+Total cash.

## GOVERNMENT DEBT (in thousands)

	Jan. 21, '22.	Jan. 14, '22.	Jan. 22, '21.
Total deadweight .....	7,748,144	7,762,798	7,661,005
Owed abroad .....	1,085,806	1,091,472	1,144,809
Treasury Bills .....	1,061,116	1,063,661	1,161,894
Bank of England Advances .....	—	21,500	32,500
Departmental do. ....	129,744	164,284	200,622

NOTE.—The highest point of the deadweight debt was reached at Dec. 31, 1919, when it touched 8,033 millions. On March 31 last it was 7,574 millions. Of the increase shown since then 102 millions represent a nominal addition, due to a conversion scheme.

## GOVERNMENT ACCOUNTS (in thousands)

	Jan. 21, '22.	Jan. 14, '22.	Jan. 22, '21.
Total Revenue from Ap. 1 .....	756,237	720,196	990,413
Expenditure .....	832,324	815,861	910,158
Surplus or Deficit .....	76,087	—95,665	+80,255
Customs and Excise .....	269,551	256,401	273,065
Income and Super Tax .....	209,059	194,816	191,756
Stamps .....	12,955	12,901	20,561
Excess Profits Duties .....	29,714	29,714	172,978
Post Office .....	42,500	41,500	38,450
Miscellaneous—Special .....	102,517	99,017	214,535

## BANK OF ENGLAND RETURNS (in thousands)

	Jan. 25, '22.	Jan. 18, '22.	Jan. 26, '21.
Public Deposits .....	14,524	19,623	16,081
Other .....	120,929	117,821	112,528
Total .....	135,453	137,444	128,609
Government Securities .....	45,079	47,143	53,211
Other .....	83,667	83,975	75,107
Total .....	128,746	131,119	128,318
Circulation .....	122,206	122,600	128,485
Do. less notes in currency res. ....	102,756	103,150	109,035
Coin and Bullion .....	128,447	128,444	128,283
Reserve .....	24,691	24,294	18,248
Proportion .....	18.2%	17.6%	14½%

## CURRENCY NOTES (in thousands)

	Jan. 25, '22.	Jan. 18, '22.	Jan. 26, '21.
Total outstanding .....	304,004	308,566	342,489
Called in but not cancl. ....	1,704	1,714	2,555
Gold backing .....	28,500	28,500	28,500
B. of E. note, backing ...	19,450	19,450	19,450
Total fiduciary issue .....	254,350	258,902	291,984

NOTE.—The maximum fiduciary issue for 1921 has been officially "fixed" at £317,555,200.

## BANKERS CLEARING RETURNS (in thousands)

	Jan. 25, '22.	Jan. 18, '22.	Jan. 26, '21.
Town .....	678,329	818,958	577,631
Metropolitan .....	32,898	33,715	36,704
Country .....	53,587	60,063	64,395
Total .....	764,814	912,736	678,830
Year to date .....	3,164,206	2,399,392	3,046,058

## LONDON CLEARING BANK FIGURES (in thousands)

	Dec., '21.	Nov., '21.	Dec., '20.
Coin, notes, balances with Bank of England, etc....	229,789	206,876	304,100
Deposits .....	1,860,393	1,837,537	1,804,600
Acceptances .....	65,790	59,880	87,900
Discounts .....	427,689	434,081	296,300
Investments .....	334,501	326,372	339,100
Advances .....	780,428	792,480	845,100

## MONEY RATES

	Jan. 26, '22.	Jan. 19, '22.	Jan. 26, '21.
Bank Rate .....	5%	5%	7%
Do. Federal Reserve N.Y. ....	4½	4½	7
3 Months' Bank Bills ...	3½	3½	6½
6 Months' Bank Bills ...	3½	3½	6½
Weekly Loans .....	3½	3½	5½

## FOREIGN EXCHANGES (telegraphic transfers)

	Jan. 26, '22.	Jan. 19, '22.	Jan. 26, '21.
New York, \$ to £ .....	4.22½	4.22½	3.82½
Do., 1 month forward ...	4.22½	4.22½	—
Montreal, \$ to £ .....	4.44	4.46	4.30
Mexico, d. to \$ .....	28½d.	28½d.	34½d.
B. Aires, d. to \$ .....	44½d.	43½d.	50½d.
Rio de Jan., d. to milrs... ..	7½d.	7½d.	9½d.
Valparaiso, \$ to £ .....	44.50	45.20	—
Montevideo, d. to \$ .....	42½d.	41½d.	48½d.
Lima, per Peru £ .....	19 % prem.	19 % prem.	—
Paris, frcs. to £ .....	51.80	51.50	53.35
Do., 1 month forward ...	51.80	51.50	—
Berlin, marks to £ .....	845	803	211
Brussels, frcs. to £ .....	54.05	53.85	50.85
Amsterdam, fl. to £ .....	11.55½	11.51½	11.30½
Switzerland, frcs. to £ ...	21.71	21.74	24.08½
Stockholm, kr. to £ ...	16.90	16.91	17.52
Christiania, kr. to £ ...	26.90	26.85	20.35
Copenhagen, kr. to £ ...	21.05	21.05	19.35
Helsingfors, mks. to £ ...	225	227	114½
Italy, lire to £ .....	96	96½	103½
Madrid, pesetas to £ ...	28.10	28.23	27.80
Greece, drachma to £ ...	96	96½	50.30
Lisbon, escudo d. ...	4½d.	4½d.	6½d.
Vienna, kr. to £ .....	16.250	13.250	1.275
Prague, kr. to £ .....	226	250	272½
Budapest, kr. to £ .....	3,000	3,150	—
Bucharest, lei to £ .....	550-600	525-575	272½
Belgrade, dinars to £ ...	310	305	—
Sofia, leva to £ .....	625	625	—
Warsaw, marks to £ .....	14,000	12,500	3,250
Constantnple, piastres to £	655	675	—
Alexandria, piastres to £	97½	97½	97½
Bombay, d. to rupee ...	15½d.	15½d.	17½d.
Calcutta, d. to rupee ...	31d.	31d.	34½d.
Hongkong, d. to rupee ...	42d.	42d.	47d.
Shanghai, d. to tael ...	27½d.	27½d.	27½d.
Singapore, d. to \$ .....	26½d.	27d.	30½d.
Yokohama, d. to yen ...	—	—	—

## UNEMPLOYMENT

	Jan. 10, 1922.	Dec. 29, 1921.	June 24, 1921.	Jan. 28, 1921.
Men .....	1,480,900	1,451,400	1,549,307	685,218
Women .....	340,500	333,900	477,627	277,750
Juveniles .....	112,000	100,000	150,965	102,343
Total .....	1,933,400	1,885,300	2,177,899	1,065,320
Number of men on special relief work	122,000.			

## COAL OUTPUT

Week ending :	Jan. 14, 1922.	Jan. 7, 1922.	Dec. 31, 1921.	Jan. 15, 1921.
	tons.	tons.	tons.	tons.
Year to Date	4,719,100	3,674,000	3,049,000	4,897,700
	8,393,100	3,674,000	166,604,000	9,242,200

## IRON AND STEEL OUTPUT

	1921.	1921.	1921.	1920.
	Dec.	Nov.	Oct.	Dec.
	tons.	tons.	tons.	tons.
Pig Iron	275,000	271,800	235,500	682,500
Yr. to date	2,611,000	2,336,400	2,064,600	8,007,900
Steel	381,000	442,800	405,400	746,800
Yr. to date	3,624,800	3,243,800	2,801,000	9,056,800

# PRICES OF COMMODITIES METALS, MINERALS, ETC.

	Jan. 26, '22.	Jan. 19, '22.	Jan. 26, '21.
Gold, per fine oz. ....	97s 5d.	98s. 0d.	107s. 9d.
Silver, per oz. ....	35d.	34½d.	40d.
Iron, Scotch pig No. 1			
per ton	£5.5.0	£6.0.0	£11.10.0
Steel rails, heavy "	£9.5.0	£9.10.0	£24.0.0
Copper, Standard "	£65.0.0	£65.7.6	£68.5.0
Tin, Straits "	£156.0.0	£164.0.0	£169.5.0
Lead, soft foreign "	£23.2.6	£23.2.6	£23.12.6
Spelter "	£25.10.0	£26.5.0	£24.5.0
Coal, best Admiralty "	25s. 0d.	25s. 0d.	60s. 0d.

## CHEMICALS AND OILS

Nitrate of Soda, per ton	£16.0.0	£16.0.0	£24.0.0
Indigo, Bengal per lb.	11s. 6d.	11s. 6d.	12s. 0d.
Linseed Oil, spot per ton	£30.15.0	£29.10.0	£31.0.0
Linseed, La Plata ton	£17.10.0	£17.0.0	£16.0.0
Palm Oil, Benin spot ton	£32.10.0	£34.10.0	£38.0.0
Petroleum, w. white gal.	1s. 5d.	1s. 5d.	2s. 4½d.

## FOOD

Wheat, English Gaz. Ave.			
per 480 lbs.	45s. 8d.	45s. 0d.	85s. 4d.
Wheat, No. 2 Red Winter			
N.Y. per bush.	127½ cents.	124½ cents.	196 cents.

## TEXTILES, ETC.

Cotton, fully middling,			
American per lb.	10.22d.	10.58d.	10.64d.
Cotton, Egyptian, FGF.			
Sakel per lb.	17.75d.	19.50d.	16.00d.
Hemp, N.Z. spot, per ton	£38.0.0	£37.0.0	£52.0.0
Jute, first marks "	£24.5.0	£25.0.0	£37.0.0
Wool, Australian, med.			
greasy per lb.	1s. 6d.	1s. 6d.	2s. 8½d.
Leather, sole bends lb.	2s. 5d.	2s. 5d.	2s. 9d.
Rubber, Std. Crepe, lb.	9d.	9½d.	1s. 0½d.

## OVERSEAS TRADE (in thousands)

	Dec., 1921.	Dec., 1920.	twelve months	
	£	£	£	%
Imports .....	85,312	142,687	1,086,687	1,932,649 - 43
Exports .....	59,375	96,630	703,196	1,334,469 - 47
Re-exports .....	9,204	12,699	107,052	222,753 - 52
Balance of Imports	16,733	33,358	276,439	375,427 - 26
Export cotton goods	15,684	24,983	178,710	401,420 - 55
Expt. woollen goods	4,027	7,903	55,104	134,859 - 59
Export coal value...	5,366	9,345	42,952	99,627 - 56
Do. quantity tons...	4,309	2,302	24,661	24,932 - 1
Export iron, steel...	5,407	9,308	63,772	128,907 - 50
Export machinery...	5,257	7,173	74,630	63,432 + 17
Tonnage entered ...	3,066	3,104	37,112	36,493 + 1
" cleared ...	4,003	3,281	36,395	36,725 -

## INDEX NUMBERS

United Kingdom—Whole-	Dec., 1921.	Nov., 1921.	Dec., 1920.	July 1914
sale (Economist).	921½	951	1,344	579
Cereals and Meat .....	636	672	805	352
Other Food Products .....	762	1,117½	1,284	616½
Textiles .....	1,106	774	1,216	464½
Minerals .....	931½	943½	1,275	553
Miscellaneous .....	4,357	4,458	5,924	2,565
Total .....				

Retail—(Ministry of	Dec., 1921.	Nov., 1921.	Oct., 1921.	Dec., 1920.	July 1914
Labour) .....	185	195	200	278	100
Food only .....	192	199	203	265	100
All items .....					
France—Retail .....	Dec., 1921.	Nov., 1921.	Oct., 1921.	Dec., 1920.	July 1914
(Paris) .....	323	326	331	470	100
Food, Fuel, Lighting					

Germany—Wholesale	Dec., 1921.	Nov., 1921.	Oct., 1921.	Dec., 1920.	average
(Frankfurter Zeitung)	320	303	249	153	9.23
All Commodities .....					
United States—Wholesale	Jan. 1, 1922.	Dec. 1, 1921.	Dec. 1, 1920.	Aug. 1, 1914.	
(Bradstreet's) .....	\$	\$	\$	\$	
All commodities.	11.3725	11.3127	13.6263	8.7087	

## FREIGHTS

From Cardiff to	Jan. 26, 1922.	Jan. 19, 1922.	Jan. 26, 1921.
West Italy (coal)	12/6	12/1½	17/6
Marseilles "	12/0	11/6	15/0
Port Said "	15/6	15/0	14/6
Bombay "	23/0	21/6	22/6
Islands "	10/6	10/6	13/0
B. Aires "	13/6	13/6	17/6
From			
W. Australia (wheat)	46/3	46/3	70/0
B. Aires (grain)	35/0	30/0	32/6
San Lorenzo "	36/3	32/6	35/0
N. Pacific (wheat)	nominal.	nominal.	75/0
N. America (grain)	4/0	4/0	6/0
Bombay (general)	22/0	22/0	35/0
Chili (nitrate)	nominal.	nominal.	55/0
Alexandria (cotton-seed)	9/0	8/9	15/0
Danube (grain)	nominal.	nominal.	40/0

## HOME RAILWAY TRAFFICS

	Last week.	Previous week	Total Receipts.
Caledonian ...	138,400	105,100	243,500
Glasgow & S.W.	56,600	49,000	105,600
Gt. Central ...	188,200	198,600	558,600
Gt. Eastern ..	189,700	198,700	574,600
Gt. Northern ..	223,500	225,700	648,200
G.N. of Scotland	16,150	15,380	46,060
Gt. S. & W. ...	60,930	59,682	120,612
Gt. Western ..	518,000	524,000	1,526,000
Highland ....	17,992	17,830	53,659
Hull & Barnsley	26,474	25,916	74,178
L. & N.W. ....	724,000	722,000	2,112,000
L. & S.W. ....	161,600	163,800	470,700
Metropolitan ..	37,586	38,013	112,926
Midland G.W.	23,591	23,438	65,002
Midland .....	466,000	474,000	1,364,000
North British ..	162,000	126,400	288,400
North Eastern ..	311,400	239,400	550,800
North London ..	15,929	15,162	45,168
Taff Vale ...	36,667	—	95,980
Underground ..	199,689	212,018	625,039
Do. Tram group	42,557	45,518	133,947

## SECURITY PRICES

### BRIT. AND FOREIGN GOVT.

	Jan. 26, '22.	Jan. 19, '22.	Jan. 26, '21.
Consols .....	52½	53	48½
War Loan 3½% ...	91½	91½	85½
Do. 4½% ...	88	85	77½
Do. 5% ...	93½	93½	85½
Do. 4% ...	98	97½	95½
Funding 4% ...	80½	79½	69½
Victory 4% ...	83½	83½	76½
Local Loans 3% ...	58½	57½	52
Conversion 3½% ...	69½	68½	—
Bank of England ...	191½	190	169½
Argentina (86) 5% ...	97½	97½	88½
Belgian 3% ...	63	63	57
Brazil 1914 5% ...	68	66½	56½
Chilian 1886 4½% ...	74	74	70½
Chinese 5% '96	87½	88½	81
French 4% ...	31½	32	35½
German 3% ...	2½	3½	6½
Italian 3½% ...	22	21½	20
Japanese 4½% (1st)	105½	105	106
Russian 5% ...	16	16½	15

## RAILWAYS.

Great Central Pref. ....	9½	10	9½
Great Eastern .....	29½	29½	30
Great Northern Pref. ...	45	47½	46½
Great Western .....	75	77½	74½
London Brighton Def. ....	40	41	44½
London Chatham .....	6½	6½	6½
L. & N.W. ....	70½	73	75½
L. & S.W. Def. ....	20	20	20½
Metropolitan .....	28½	29	22
Do. District	23½	23½	16½
Midland Def. ....	46	47½	47
North Brit. Def. ....	10½	11	11½
North Eastern .....	74	74½	77
South Eastern Def. ....	24½	24½	25½
Underground "A" .....	5/0	5/9	6/6

Antofagasta .....	45	43	61½
B.A. Gt. Southern .....	59	55	59½
Do. Pacific .....	39	35½	43
Canadian Pacific .....	146	148½	150½
Central Argentine .....	53½	51	56½
Entre Rios .....	18½	18½	18
Grand Trunk .....	1½	1½	5½
Do. 3rd. Pref. ....	3½	3½	15½
Leopoldina .....	26½	25	27
San Paulo .....	112	112	132
United of Havana .....	44½	44½	64

## INDUSTRIALS, ETC.

Anglo-Persian 2nd Pref....	24/0	23/6	—
Armstrongs .....	14/9	14/0	18/6
Brit.-Amer. Tobacco .....	64/6	64/9	68/9
Burmah Oil .....	5 29/32	5½	7
Coats .....	53/0	53/0	45/0
Courtaulds .....	37/9	37/9	35/0
Cunard .....	18/7½	18/7½	21/0
Dorman Long .....	16/3	16/1½	18/0
Dunlop .....	6/3	6/4½	13/6
Fine Spinners .....	33/6	34/0	41/6
Hudsons Bay .....	5 ½	5½	6½
Imp. Tobacco .....	52/9	51/9	49/0
Listers .....	18/3	18/6	17/6
Marconi .....	1 23/32	1½	2 1/32
Mexican Eagle .....	3½	3½	6
P. & O. Def. ....	295	300	360
Royal Mail .....	83	83	100
Shell .....	4 17/32	4 17/32	5½
Vickers .....	9/3	7/9	16/0



## Foreign News

**France.** The revenue statement for the past year proves that the expectations of the framers of the French Budget have been partly falsified by the commercial crisis, which, however, has made its appearance in that country much later than in the United States, Japan, Great Britain and amongst the neutrals. A careful Minister of Finance might have taken into account the possible effect of this trade depression prevailing abroad; but, undoubtedly, it is more tempting to make a good show, rather than to establish estimates on a conservative basis. The violence of the setback in the foreign trade of France certainly is astounding, and particularly as regards imports, which show a decline of 12,500,000 metric tons for the past year, whilst their value is estimated at 23,548 million fr., as against nearly 50,000 million fr. for 1920; but as this valuation is established on the basis of antiquated prices, the last set of figures must be taken with caution. Anyhow, the fall in the imports has made havoc of the estimates, and the customs receipts amount to only 1,192 million fr. or 831½ million fr. less than expected. The same applies to the excise duties on sugar, salt and colonial produce, which show a deficiency of nearly 136 million fr. The spirit and wine taxes have fallen by 118 million fr. below the estimates, but beer, owing to the exceptionally hot summer, has given 18 million fr. more. Consequently drink has made a hole of a round 100 million fr. in the estimates, while all import and excise duties together (petrol excepted) have realized about 1,060 million fr. less than the budget figures. The financial trade depression accounts for the fall in the "Bourse" tax by 13½ million fr. below forecasts, and for the very disappointing results of the tax on turnover, which yielded 1,002 million less than the estimated 2,900 million fr. The post office services also brought in less (34½ million on estimates), though the rates have been increased. Inflated values and higher charges account for the excellent return of the stamp and registration duties, and of the tax on public securities (+ 528 million altogether). The surprising feature, however, is the productiveness of all taxes on luxuries and expenditure of a not strictly necessary character, such as motor-car and petrol duties, luxury and amusement taxes, tobacco and gunpowder monopolies, which all exceeded provisions. Thanks to these redeeming features the bad results of the other taxes are partly compensated, so that the indirect taxes, etc., have brought in 12,233 million fr., or 1,112½ million fr. (equal to 7.7 per cent.) less than the estimates, but 9.7 per cent. more than in 1920. It is satisfactory to note that for the last month of the past year the deficiency percentage amounts to only 3 per cent., though in many respects the December trade can be regarded as exceptional. Much less pleasing than the above returns are those referring to the new and old direct taxes and the extraordinary war profit tax. Of a total amount of 17,230 million fr. due—in some cases since 1916—only 9,597 million has been collected.

**Norway.** The financial accounts for the budget year 1920-21, ended on June 30th last, show a deficit of 75 million kroner, reduced to about 61 million kroner by unused credits. Despite this unsatisfactory result the finance department is unable to recommend increased taxation for the current year in view of the prevailing economic conditions. The draft of the budget for 1921-22, submitted last week to the State Council, discloses a reduction of 76.7 million kroner in the expenditure (ordinary and extraordinary). The greater part of this cut is accounted for by reduced or abolished doles and subventions. The Norwegian State Debt stood on December 31st last at 1,239,965,000 kroner, which is 73,218,000 kroner more than at the end of 1920, but only 23,218,000 kroner of the latter amount involves the actual responsibility of the Exchequer.

## Reviews

**Under New Management.** By Hugh P. Vowles, M.I.Mech.E. Allen and Unwin. 6s. net.

"WE are suffering," says Mr. Vowles, "from a plague of impostors, charlatans pretending to be business men, politicians posing as statesmen. The world writhes in an agony of distress under the irritation of their mismanagement. They are like bugs on the body politic and an intolerable nuisance in business affairs." And so one author decided that "we've got to do some really hard thinking so as to qualify ourselves to sweep this jabbering rabble out of our way." Having, no doubt, done the necessary hard thinking, he comes to some interesting conclusions—for instance, that the true seat of power is with the financier-banker, and further that the banker "only wields this most potent power because of his financial credit, or the general belief in his ability to produce or deliver cash as and when required; hence it will be seen that the banker is making use of something which is really a communal asset, and should therefore in equity be under communal control, wielded for the benefit of the whole community. Here we get a preliminary glimpse of the foundations of reconstruction." It is quite a stimulating argument—the banker has power because the public believes that he knows how to conduct his business: therefore his business ought to be under public control. If this is really the foundation of reconstruction, reconstruction seems likely to be a rickety fabric, especially in view of Mr. Vowles's own diatribes against the charlatans who are alleged now to rule us. And incidentally why confine the principle to bankers? The banker, however—to return to the author's argument—by his control of financial credit dictates terms to the capitalist as to whether he shall produce and what he shall produce "since however useful a commodity may be to the community, the capitalist will not get financial credit unless he can show that his product will sell at a profit and enable him to repay the loan." But this statement of the case, which is more or less correct, seems to put the real power in the hands of the consuming public, which by its demand or refusal to demand, ultimately decides as to what articles can be sold at a profit. Mr. Vowles says that "something which is socially harmful will be preferred if it sells more profitably." It is certainly true that the buying public often makes bad mistakes about the articles that it buys, but if the decision is to be taken out of its hands, what tribunal does Mr. Vowles propose to set up, with the power not only to decide as to what is to be produced, but also to compel the public to consume whatever is thought to be socially beneficial?

**The Settlement of Wage Disputes.** By Herbert Feis. MacMillan. 12s. net.

AFTER an account of the industrial situation in the United States the author attempts to formulate principles which might serve as the basis of a policy of wage settlement. He has obviously drawn very largely from English industrial experience, and the "relatively new" conclusions at which he arrives are familiar on this side of the Atlantic. He holds that the welfare of wage earners is one of the major questions in the conduct of industry, that wage earners should participate effectively in determining the conditions of labour, and that they should also possess the means of checking the action of private enterprise when methods of production are wasteful either of human or material resources. Here in England we are now more concerned with discovering how these principles can be put into practice without injury to the common good. Mr. Feis deals with the question of wages very thoroughly, and his book should prove most informing to people unacquainted with the works of English authorities from whom he quotes.

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